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FOR IMMEDIATE RELEASE:

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that SAUNDRA J. PRITCHETT-GUIDRY, 62, Indianapolis, Indiana, was sentenced to 50 months imprisonment today by U.S. District Judge Larry J. McKinney following her previously entered guilty plea to federal program fraud and money laundering. This case was the result of an investigation by the United States Department of Agriculture, the Indiana Family and Social Services Administration, and the Internal Revenue Service.

Saundra J. Pritchett-Guidry operated a number of day care centers in Indianapolis under the name of A Rainbow House from 1984 until their closure in April 2003. Beginning not later than the mid-1990's, Pritchett-Guidry directed a fraud scheme regarding the federal programs that funded her day care centers and the related service of meals and snacks. The specific programs affected were The Child and Adult Care Food Program (CACFP), the Child Care Developmental Funds (CCDF) Voucher Program and the Title XX Social Service Block

Pritchett-Guidry

Grant Program. The first of these programs is funded by the United States Department of Agriculture and provides meals and snacks for qualified children. The second and third programs provide for the actual child care of certain qualifying families and children, and are funded by the United States Department of Health and Human Services and the State of Indiana, through the Indiana Family and Social Services Administration.

The program fraud directed by Pritchett-Guidry involved the creation and submission of hundreds of false documents regarding the overstated attendance and food consumption of children enrolled in her day care centers. These forms not only overstated the actual meals served and attendance, but at various times included the names of children who did not exist or who had been disenrolled. Between November 1997 (the earliest time for which sufficient records are available) and April 2003 (the closure of A Rainbow House), Pritchett-Guidry obtained \$4,459,625 by fraud from the three programs combined.

A significant amount of the fraudulently obtained money was used by Pritchett-Guidry for her own private purposes, including the acquisition of real estate. To effect those real estate purchases, Pritchett-Guidry used funds obtained from the federal programs by A Rainbow House and then transferred the funds into a separate corporate account she had established. One of those transfers is the basis for the money laundering count for which Pritchett-Guidry was sentenced.

According to James M. Warden, who prosecuted the case for the government, Judge McKinney also imposed 3 years supervised release following PRITCHETT-GUIDRY's release

Pritchett-Guidry

from imprisonment. PRITCHETT-GUIDRY was ordered to make restitution in the amount of \$4,459,625.00.

Additionally, numerous real estate parcels which PRITCHETT-GUIDRY paid for with the proceeds of this fraud have been forfeited to the United States. Warden stated that the government expects to recover at least \$1.5 million dollars from the sale of these properties, which funds will go back to the programs defrauded by PRITCHETT-GUIDRY.

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